

FLOOR STATEMENT BY SENATOR STUART SYMINGTON
RE S. 2999, SUPPLEMENTAL AUTHORIZATION AUTHORITY, FY 1974
MAY 6, 1974

Mr. President:

The Senate now begins consideration of S. 2999, the Supplemental Military Procurement Authorization bill for Fiscal Year 1974.

At the request of Chairman Stennis, I chaired the hearings on this particular legislation and will now handle the bill on the Floor.

The Committee is recommending a total authorization of \$415,474,900. This is a reduction of \$841,981,090 from the request of \$1,257,455,000, a reduction of 67% from the request.

Before outlining the major items in this bill, I would first comment on the acknowledge purpose of a supplemental request. In particular should be noted the Office of Management and Budget's own guidelines for submitting supplementals to the Congress:

"No supplemental or amendment (or increase in limitation) will be considered unless the matter is of sufficient urgency to warrant immediate action."

Another general premise for requesting a supplemental is that subsequent actions by Congress have created additional costs which cannot be absorbed within existing funding; also that the funding of these additional costs cannot be delayed until the next fiscal year.

The items requested in this legislation were judged by the Committee in accordance with these "supplemental criteria" as well as on their merits; and we concluded that many of the programs for which funds were requested did not meet the qualification of "sufficient urgency to warrant immediate action."

In an effort to conserve time, may we point out that there is before each Member a copy of Senate Report 93-781. It discusses all the aspects of this pending legislation, and we would hope each Member would refer to this Report with regard to specific details.

The Committee hearings on this supplemental are also available to each Member.

The purpose of this statement is to present the highlights of this legislation as approved by the Committee.

Middle East Payback

Included in this supplemental request is \$155.8 million for what is known as the Middle East payback -- the difference between what Israel would pay for the equipment the United States shipped to them and the cost of the new equipment that our forces must buy to replenish our own inventory.

The Committee recommends language in this bill which authorizes the transfer of that \$155.8 million for the \$2.2 billion already funded under the Military Assistance Program account as "Emergency security assistance for Israel."

The issue being addressed is not the amount that is charged to Israel or any other foreign country for equipment provided out of United States inventory, but rather in which account the actual replacement costs are funded.

At the time the Committee marked up the supplemental request, the Defense Department advised with respect to the \$2.2 billion that "Cost data are not yet complete, but it is estimated that these additional approvals (of defense articles and services for sale) will bring the dollar value of items approved and/or supplied to Israel since 6 October to approximately \$1.5 billion."

In that some \$700 million of the total approved had not yet been obligated or identified for obligation, the Committee felt that the additional

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incremental costs should be borne by the Military Assistance Program (MAP) account. The Committee fully supports the requirement to replace equipment provided to Israel; however, the Committee does not agree that the replacement costs should be borne by the Military Departments and has included a new section 102 authorizing transfer of the \$155.8 million from the Emergency Security Assistance for Israel."

Diego Garcia

The Committee deferred without prejudice the \$29 million requested to upgrade United States Navy and Air Force facilities on the British owned Island of Diego Garcia in the Indian Ocean.

It is the Committee's view that testimony did not indicate any great urgency in this matter. Moreover, because of the complexity of this issue from both a foreign and military policy standpoint, plus the fact there is yet no written agreement with the British regarding the status and use of this island, the Committee deemed it prudent to defer the matter for more thorough examination in the Fiscal Year 1975 Military Construction Authorization Bill.

Trident Advance Procurement

The Committee also recommends deferral without prejudice of the \$24.8 million request for long lead time components for two Trident submarines in Fiscal Year 1975 for the following reasons:

In action on the regular FY 1974 Defense bill, the Congress denied long lead funding for more than a one Trident program for FY 1975.

The contract award for the Trident submarine has slipped.

The Defense Department is now recommending backfit of the Trident I missile into the Poseidon.

Development funding for a new and smaller ballistic submarine, the Narwhal, is now being requested.

The lead time for materials and equipment has increased dramatically.

Navy shipbuilding programs continue to exhibit delays and cost increases.

The peacetime backlog of shipbuilding is at an all time high, and the billions upon billions of dollars involved should be watched with more care.

Increased Airlift Capability

Programs associated with increased airlift capability in the supplemental are (1) \$40 million for the C-141 stretch program; (2) \$108.9 million for C-5A/C-141 increased war readiness replenishment spares; and (3) \$19 million for the Civil Reserve Air Fleet Modification.

The Committee decided that sufficient data had not been supplied to make an intelligent judgment as to both the urgency and the merit of the programs in question and, therefore, recommends that consideration of these programs be deferred until review of the regular FY 1975 budget request.

It should be pointed out that funds requested for these programs in this supplemental, when combined with other programs in this same category recommended in the FY 1975 budget, could exceed \$3 billion.

In particular, it is the Committee's view that the Civil Reserve Air Fleet Modification, which involves the modification of existing commercial airlines with features that in a contingency would permit their use as cargo carriers, should be deferred because the Air Force, the Department of Transportation, and the Office of Management and Budget are still working on legislation which the Air Force Counsel has recommended be enacted prior to implementation of any such program.

Military Assistance Service Funded Authority

The Committee recommends denial of a requested increase in the Fiscal Year 1974 ceiling on obligations from the \$1.126 billion voted last year to \$1.6 billion, because a thorough examination of this program by the Committee Staff determined that statistical obligations for ammunition which was delivered in prior fiscal years should not have been charged against the Fiscal Year 1974 ceiling limitation.

This "statistical" reporting method resulted in the reporting during FY 1974 of a \$266 million obligation for ammunition that was actually delivered to South Vietnam in either FY 1972 or FY 1973, and thus reduced the real amount of support available in FY 1974 to \$860 million.

Based on Congressional action last year, however, it would appear the intent was to provide sufficient obligational authority so as to permit obligation of new FY 1974 funds (\$907.5 million) plus unobligated funds (approximately \$200 million estimated by Defense at that time).

The Committee, therefore, points out that the Defense Department could make a change in its bookkeeping procedures which would enable obligation of an additional \$266 million of already appropriated but unobligated prior year funds during Fiscal Year 1974, without increasing the current FY 1974 ceiling.

The statistical method of reporting may have been valid when United States forces and South Vietnam forces were supported by a common pipeline. However, since U.S. forces have been withdrawn, statistical reporting is completely unsatisfactory. The Department of Defense should change its method of reporting obligations under the ammunition program from a statistical basis to a more realistic basis as soon as possible.

This concludes a summary of the highlights of this bill. All of the recommendations contained in the Committee Report were adopted unanimously, and the bill was reported accordingly.

I would like to take this opportunity to extend my thanks to Chairman Stennis, Senator Thurmond, the ranking minority member of the Committee, and to the entire membership of the Committee for their cooperation during consideration of this legislation.

In addition, I would like to express my appreciation to the Staff for their fine assistance in reviewing this rather wide-ranging legislation in terms of types of programs covered.